

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1984-02
Bill No.: HCS for HB 856
Subject: Auditor, State; Attorney General, State; Elections; Secretary of State
Type: Original
Date: March 29, 2011

Bill Summary: This proposal modifies various provisions relating to the initiative and referendum process.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	\$0	(\$103,215 up to \$1,188,354)	\$0
Total Estimated Net Effect on General Revenue Fund	\$0	(\$103,215 up to \$1,188,354)	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

In response to a previous version of this bill, officials at the **Office of the Secretary of State (SOS)** assume this bill would provide proponents of a petition 30 days after the issuance of a certificate of sufficiency or insufficiency to "reclaim" voters' signatures deemed invalid by the local election authority. In 2012, the SOS must issue certificates of sufficiency or insufficiency by August 14, 2012 (RSMo 116.150,). Also, the SOS must certify all ballot measures to the local election authorities by August 28, 2012 (RSMo 116.240). These deadlines allow time for the local election authorities to have their ballots printed in a timely manner for absentee balloting. The passage of this bill would create challenges to meeting the statutory deadlines.

If this bill is passed, there would be increased personnel costs required to verify the invalid signatures challenged by the proponent of the petition. Based on the 2010 petition cycle, 195,384 signatures were deemed invalid for four submitted petitions. Assuming 2 minutes to verify each signature and \$15 per hour for staff, the personnel cost could be up to \$97,695.

195,384 invalid signatures x 2 minutes to verify= 390,768 minutes
390,768 minutes / 60 min = 6,513 hrs
6,513 hrs x \$15/hr= \$97,695

If this bill is passed, additional personnel would be needed to process petitions submitted to the SOS that will be required to be organized in "substantial compliance" with the law in order to distribute pages to the appropriate local election authority for signature verification. Based on the 2010 petition cycle, this could cost up to \$5,520.

6 folders per hr x 8 hours day = 48 folders per day
276 folders per petition/48 folders per day = 46 hours per petition
46 hrs x 2 staff members x \$15.00 = \$1,380 per petition
\$1,380 x 4 petitions = \$5,520

The SOS could be required to pay to reprint the ballots under section 115.247 RSMo. Based on the 2008 General election, this could cost up to \$1,085,139.

3,091,565 ballots cast in 2008 general election x 1.3* = 4,019,034 ballots
*115.247.3 requires one and one-third of the ballots cast in the previous election
4,019,034 ballots x \$0.27 per ballot = \$1,085,139

This bill could cost a minimum of \$103,215 or a maximum of \$1,188,354.

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ASSUMPTION (continued)

Officials at the **Office of the Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials at the **Department of Corrections, Office of Prosecution Services, Office of the State Courts Administrator** and the **Platte County Board of Election Commission** assume that there is no fiscal impact from this proposal.

In response to the previous version of this bill, officials at the **Buchanan County Clerk** assume that there is no fiscal impact from this proposal.

In response to the previous version of this bill, officials at the **Office of State Public Defender** assume the number of new cases may be too few or uncertain to request additional funding for this specific bill.

In response to a previous version of this bill, officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials at the following board of election commissions: Kansas City Board of Election Commission, St. Louis City Board of Election Commission, Clay County Board of Election Commission, Jackson County Board of Election Commission and the St. Louis County Board of Election Commission did not respond to **Oversight's** request for fiscal impact.

Officials at the following counties: Andrew, Barry, Bates, Boone, Butler, Callaway, Camden, Cape Girardeau, Carroll, Cass, Clay, Cole, Cooper, DeKalb, Franklin, Greene, Hickory, Holt,

ASSUMPTION (continued)

Jackson, Jasper, Jefferson, Johnson, Knox, Laclede, Lafayette, Lawrence, Lincoln, Marion, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Pemiscot, Perry, Phelps, Platte, Pulaski, Scott, St. Charles, St. Louis, St. Francois, Taney, Texas, Warren, and Webster did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
GENERAL REVENUE			
<u>Cost</u> - Secretary of State signature verification costs	\$0	(\$103,215)	\$0
<u>Cost</u> - Secretary of State reprinting ballot costs	\$0	\$0 up to (\$1,188,354)	\$0
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>(\$103,215 up to \$1,188,354)</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill changes the laws regarding initiative and referendum petitions. In its main provisions, the bill:

- (1) Defines the term "day" as a calendar day including weekends and holidays as it applies to initiative and referendum petitions;
- (2) Specifies that no mistake, error, or omission by parties other than a person signing a petition,

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FISCAL DESCRIPTION (continued)

anyone involved in the gathering of signatures for and the filing of a petition, and any government official or employee can invalidate the signature of any person signing a petition as long as the person's intent in signing the petition is reasonably clear;

- (3) Allows the proponent of a petition to reserve an area in the upper left-hand corner of the signature pages for the use of clerical notations;
- (4) Specifies that the text of a petition must include all matter that is to be repealed which must be enclosed in brackets or in a strike-through font and all sections of existing law which would be explicitly repealed by the measure;
- (5) Allows the proponent of a petition to provide proof of the voter's registration within 30 days of the issuance of the certificate of sufficiency or insufficiency by the Secretary of State;
- (6) Creates the crime of intentional misrepresentation of a petition if a person knowingly and fraudulently gathers signatures by causing a voter to sign a petition other than the one the voter intended to sign or forging or falsifying signatures and the crime of malicious obstruction of the signing of a petition if a person attempts to or maliciously intimidates, obstructs, or otherwise prevents a voter from signing a petition. Anyone who commits one of these crimes will be guilty of a misdemeanor punishable by a fine of up to \$10,000, imprisonment for up to one year, or both;
- (7) Requires the Secretary of State to accept properly submitted file folders of signatures that are in substantial compliance with the law;
- (8) Allows a court to change a fiscal note summary in the same manner as a summary statement. The accuracy of a fiscal note may still be challenged in a court of appeals and the Missouri Supreme Court;
- (9) Specifies that changes to the official ballot title from actions brought later than 10 days after the ballot title is certified by the Secretary of State will have no effect on the validity of signatures collected on petition sheets that contain the original official ballot title;
- (10) Specifies that a petition proponent must be allowed to intervene in a ballot title challenge case;
- (11) Requires a ballot title challenge to be made within 55 days of the original certification by the Secretary of State;

ASSUMPTION (continued)

(12) Establishes time limits for the adjudication of a ballot title challenge. The circuit court must rule within 55 days. Any party to the suit may appeal within 10 days after a circuit court decision. The court of appeals must render a decision within 30 days of the filing of an appeal. Any party to the suit may appeal to the Missouri Supreme Court within 10 days of the appeals court's decision. The Missouri Supreme Court must render a decision within 30 days of the filing of an appeal;

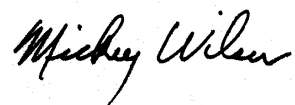
(13) Requires the Secretary of State to refer a copy of a sample petition sheet to the Attorney General and the State Auditor within two business days of the submission of the petition for the Attorney General's approval and the State Auditor to prepare a fiscal note and fiscal note summary; and

(14) Requires the Secretary of State to send notice of approval within 15 days after the submission of a petition sheet instead of the current 30 days.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Buchanan County Clerk
Department of Corrections
Office of the Attorney General
Office of Prosecution Services
Office of the Secretary of State
Office of the State Courts Administrator
Office of the State Public Defender
Platte County Board of Election Commission



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March 29, 2011

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